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TO COVEY FOR THE SECRETARY

UNCLAS VIA BLACK PATCH WH61704

TOHAK 16

WE ARE REPEATING TO YOU IN ITS ENTIRETY THE 9 DECEMBER ARTICLE FROM THE WASHINGTON POST ON U.S. MOVES TO SELL JETS TO INDIA BY GEORGE C. WILSON.

THE FORD ADMINISTRATION HAS QUIETLY TAKEN THE FIRST STEP TOWARD SELLING MODERN JET FIGHTER PLANES TO INDIA, INFORMED SOURCES DISCLOSED YESTERDAY.

THIS CRACK IN THE ADMINISTRATION'S PREVIOUSLY FROZEN POSITION OF NOT SELLING ARMS TO THE GOVERNMENT OF INDIAN PRIME MINISTER INDIRA GANDHI IS EXPECTED TO DRAW FIRE FROM NEIGHBORING PAKISTAN AND PERHAPS FROM PRESIDENT-ELECT JIMMY CARTER.

PAKISTANI OFFICIALS ALREADY HAVE COMPLAINED THAT THEY ARE HEAVILY OUTGUNNED BY INDIA AND SHOULD BE ALLOWED TO BUY THE U.S.'S A-7 ATTACK PLANE.

THE STATE DEPARTMENT'S OFFICE OF MUNITIONS CONTROL HAS CLEARED THE WAY FOR MCDONNELL-DOUGLAS EXECUTIVES TO BRIEF INDIAN OFFICIALS IN NEW DELHI NEXT MONTH ON WHAT THE COMPANY'S A-4 SKYHAWK JET FIGHTER BOMBER COULD DO FOR INDIA'S MILITARY.

THE CLEARANCE CAME IN THE FORM OF A LICENSE FROM THAT OFFICE TO EXPORT DATA ON THE A-4'S PERFORMANCE TO INDIA. A SPOKESMAN SAID INFORMATION ABOUT SUCH LICENSES IS CONFIDENTIAL AND COULD NOT BE DISCLOSED.

HOWEVER, SOURCES SAID MCDONNELL-DOUGLAS RECEIVED ITS LICENSE LAST MONTH WHEN THE PENTAGON APPROVED THE RELEASE TO INDIA OF A-4 INFORMATION IN THE COMPANY'S SALES KIT.

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THE STATE DEPARTMENT HAS BEEN ANALYZING FOR THE INCOMING CARTER ADMINISTRATION WHAT THE WORLD ARMS MARKET WILL BE BETWEEN NOW AND 1980. ONE ESTIMATE OF THE MARKET IS \$30 BILLION.

IN INDIA, THE FIGHTER MARKET IS ESTIMATED TO BE AS MANY AS 300 PLANES THAT ARE DESIGNED TO PENETRATE DEFENSES AND DROP BOMBS. THE RELATIVELY INEXPENSIVE AND SMALL SKYHAWK DID THIS FOR THE UNITED STATES IN VIETNAM, FLYING OFF CARRIERS, AND FOR THE ISRAELI AIR FORCE IN THE SINAI DESERT.

ONCE INDIA RECEIVES THE SKYHAWK SALES PITCH, THE GANDHI GOVERNMENT'S NEXT STEP TOWARD BUYING IT WOULD BE TO SUBMIT A LETTER OF OFFER TO THE U.S. GOVERNMENT. THEN, IN A SEPARATE PROCESS INVOLVING THE EXECUTIVE BRANCH AND CONGRESS, THE U.S. GOVERNMENT WOULD DECIDE WHETHER TO SELL THE PLANE TO INDIA.

IT IS POSSIBLE THE FORD ADMINISTRATION IS ALLOWING MCDONNELL-DOUGLAS TO LAUNCH ITS SALES DRIVE IN INDIA SOLELY TO GAIN DIPLOMATIC LEVERAGE BY TRYING TO DRAMATIZE WHAT COULD BE GAINED IN WEAPONRY BY COOPERATING WITH THE UNITED STATES RATHER THAN THE SOVIET UNION.

THE SOVIET UNION RECENTLY AGREED TO SELL INDIA 200 TONS OF HEAVY WATER, A VITAL INGREDIENT IN THE PRODUCTION OF NUCLEAR BOMBS. THE SOVIET MOVE WAS VIEWED HERE AS A PRIMARILY POLITICAL GESTURE THAT CONTRAVENES MOSCOW'S FIRM POLICY AGAINST EXPORTING TECHNOLOGY OR MATERIALS THAT WOULD FURTHER THE PROLIFERATION OF NUCLEAR WEAPONS.

THE SKYHAWK IS BELIEVED ESPECIALLY APPEALING TO INDIA CURRENTLY BECAUSE IT IS THE ONLY MODERN WARPLANE THAT COULD BE HANDLED ON INDIA'S ONE AIRCRAFT CARRIER. THE INDIAN NAVY WOULD LIKE TO BUY 30 SKYHAWKS FOR ITS CARRIER. INDIAN OFFICIALS HAVE BEEN PUTTING OUT FEELERS FOR SUCH A DEAL FOR SOME TIME.

THE CARRIER-SKYHAWK COMBINATION WOULD CLEARLY BE AN OFFENSIVE, NOT DEFENSIVE, FORCE.

PAKISTAN HAS ASKED TO BUY 110 A-7 LIGHT BOMBERS. THE PENTAGON LAST MONTH RECOMMENDED THE SALE BE MADE, BUT STATE DEPARTMENT OFFICIALS HAVE SAID THEY WILL NOT APPROVE THE SALE BUT LEAVE THE A-7 DECISION UP TO THE CARTER ADMINISTRATION.

THE A-7 CAN CARRY SEVEN TONS OF BOMBS AND HAS A 600-MILE RANGE, ENOUGH TO REACH MOST OF INDIA.

DURING THE ELECTION CAMPAIGN, CARTER PROMISED TO CURB ARMS SALES THROUGH INTERNATIONAL AGREEMENTS. HE TERMED THE "ALMOST

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COMPLETELY UNRESTRICTED SALES OF U.S. MILITARY WEAPONS"
UNDER PRESIDENTS FORD AND NIXON A "CYNICAL" AND "DANGEROUS"
POLICY.

SELLING MODERN U.S. ARMS TO INDIA AND PAKISTAN WOULD AMOUNT
TO ARMING LIKELY ADVERSARIES, AS THE U.S. GOVERNMENT HAS
ALREADY DONE WITH GREECE AND TURKEY AND WITH ISRAEL AND THE
ARAB NATIONS.
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